

Message Text

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TAGS: OVIP (KISSINGER)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT THOMAS O'TOOLE AND MARILYN BERGER
BYLINER, WASHINGTON POST FRONT PAGE, 7/7/74, HEADLINED:
"A WELL KEPT NUCLEAR SECRET "

2. WHEN PRESIDENT NIXON LEFT FOR THE MIDDLE EAST LAST
MONTH, ONLY A HANDFUL OF PEOPLE IN GOVERNMENT KNEW OF HIS
PLAN TO OFFER NUCLEAR POWER TO EGYPT AND ISRAEL.

3. A HARD CORE AT THE STATE DEPARTMENT AND THE ARMS CON-
TROL AND DISARMAMENT AGENCY. THE UPPERMOST LEVELS OF THE
DEFENSE DEPARTMENT AND THE NATIONAL SECURITY COUNCIL.
FEWER THAN A DOZEN MEMBERS OF THE ATOMIC ENERGY COMMISSION.
EVEN THEY DIDN'T THINK THE PRESIDENT WOULD REACH AGREE-
MENTS WITH EGYPT AND ISRAEL UNTIL HE RETURNED FROM HIS
10-DAY TOUR;

4 SO WELL KEPT WAS THE SECRET THAT IT TOOK CONGRESS
ALMOST COMPLETELY BY SURPRISE. ONE REPORT HAS IT THAT ON
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THE DAY BEFORE PRESIDENT NIXON LEFT SEN. HENRY M. JACKSON
(D-WASH.) ASKED SECRETARY OF STATE HENRY A. KISSINGER IF
THERE WERE ANY SURPRISES IN THE OFFERINGS TO EGYPT AND
ISRAEL. KISSINGER IS REPORTED TO HAVE SAID THERE WERE

NONE, PRESUMABLY BECAUSE HE DIDN'T THINK THE NUCLEAR POWER AGREEMENTS WOULD BE REACHED

5. THE SECRECY OF THE AGREEMENTS APPEARS TO BE MATCHED BY THE HASTE WITH WHICH THEY WERE SIGNED;

6. DAYS AFTER THE MIDDLE EAST ANNOUNCEMENTS, EGYPT AND ISRAEL SIGNED CONTRACTS WITH THE ATOMIC ENERGY COMMISSION FOR \$78 MILLION WORTH OF ENRICHED URANIUM FUEL BOTH COUNTRIES MADE DOWN PAYMENTS WITH CHECKS DRAWN ON NEW YORK'S MORGAN TRUST CO., EGYPT FOR \$660,000 AND ISRAEL FOR \$726,000.

7. THE OFFICIAL EXPLANATION FOR ALL THIS SPEED WAS THAT THE FUEL CONTRACTS HAD TO BE SIGNED BEFORE JUNE 30, A DEADLINE FOR ALL NEW URANIUM CONTRACTS THE AEC INSISTS IS SET BY LAW. THE LAW STATES THAT THE AEC IS NOT PERMITTED TO SIGN URANIUM FUEL CONTRACTS BEYOND ITS STATED CAPACITY TO ENRICH THE FUEL, A CAPACITY THAT HAS NOW BEEN REACHED.

8. "IT BOTHERS ME THAT WE WERE IN SUCH A HURRY TO GET THOSE CONTRACTS SIGNED," SAID ONE HIGHLY PLACED SOURCE IN THE NIXON ADMINISTRATION "IT MAKES IT LOOK AS IF THE DEALS ARE BEING RAILROADED THROUGH CONGRESS."

9. WHAT BOTHERS SOME IN THE ADMINISTRATION IS THAT THE WHITE HOUSE TOOK IT ON ITS OWN TO REACH THE AGREEMENTS IN THE FIRST PLACE, WITHOUT EXHAUSTIVE CONSULTATION WITH CONGRESS AND THE ATOMIC ENERGY COMMISSION, WHERE CIVILIAN CONTROL OF NUCLEAR ENERGY IS SUPPOSED TO LIE.

10. "THE PHILOSOPHY OF AEC CONTROL OF NUCLEAR ENERGY WAS ABANDONED WITH THE MIDDLE EAST AGREEMENTS," SAID ONE ADMINISTRATION SOURCE; "NUCLEAR ENERGY WAS USED BY THE WHITE HOUSE AS AN INSTRUMENT OF DIPLOMACY AND POLITICS."

11. CONGRESS HAS BEEN QUICK TO MOVE ON THE MIDDLE EAST NUCLEAR PACTS. THE HOUSE FOREIGN AFFAIRS COMMITTEE HAS UNCLASSIFIED

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ALREADY BEGUN HEARINGS ON THE AGREEMENTS, WHILE THE SENATE FOREIGN RELATIONS COMMITTEE IS PREPARING THEIRS SIXTEEN MEMBERS OF THE JOINT COMMITTEE ON ATOMIC ENERGY SIGNED A PROPOSED AMENDMENT TO THE ATOMIC ENERGY ACT GIVING CONGRESS VETO POWER OVER THE AGREEMENTS.

12. WHILE THE NUCLEAR PACTS WITH EGYPT AND ISRAEL LOOK HASTY ON THE SURFACE, THE WHITE HOUSE SAYS IN ITS DEFENSE THAT THEY HAVE, IN FACT, BEEN UNDER DISCUSSION FOR SOME TIME.

13; EGYPT HAS BEEN ASKING THE UNITED STATES FOR A NUCLEAR POWER PLANT SINCE 1970, JUST AFTER EGYPTIAN PRESIDENT

GAMAL ABDUL NASSER DIED. EVERY FOUR OR FIVE MONTHS FOR

THE PAST FOUR YEARS, EGYPT AND LIBYA HAVE COME AS A COMBINE TO EITHER WESTINGHOUSE ELECTRIC CORP. OR GENERAL ELECTRIC CO; AND ASKED THEM TO BUILD A NUCLEAR PLANT FOR THEM;

14. "WE ALWAYS GAVE THEM THE SAME ANSWER," SAID A SPOKESMAN FOR WESTINGHOUSE; "GO TO THE AEC AND GET AN AGREEMENT FOR COOPERATION;"

15 SOMETIME THIS YEAR, EGYPT DID JUST THAT; THE EXACT DATE IS NOT CERTAIN, BUT IT WAS EITHER IN MARCH OR APRIL FIRST, EGYPT APPLIED TO THE EXPORT IMPORT BANK FOR A LOAN TO FINANCE CONSTRUCTION OF A NUCLEAR PLANT. THEN, IT WENT TO THE AEC WITH EX-IM BANK BACKING AND FORMALLY ASKED FOR AN AGREEMENT OF COOPERATION;

16. ONE REPORT HAS IT THAT THE STATE DEPARTMENT STALLED THE ORIGINAL EGYPTIAN APPLICATION. ONE SOURCE SAID THAT THE FIRST EGYPTIAN APPLICATION TO THE EX-IM BANK WAS SENT BACK TO EGYPT WITH A REQUEST FOR ADDITIONAL DATA.

17 IN ANY CASE, THE WORD WAS OUT AROUND WASHINGTON THAT EGYPT WAS SERIOUS ABOUT WANTING A NUCLEAR POWER PLANT. THE ARMS CONTROL AND DISARMAMENT AGENCY AND THE STATE DEPARTMENT TOGETHER BEGAN A STUDY ON THE FEASIBILITY OF SUCH A PLANT AND THE SAFEGUARDS THAT MIGHT SURROUND IT.
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18 THERE HAVE LONG BEEN DOUBTS ABOUT THE EGYPTIAN NEED FOR NUCLEAR POWER. JACKSON RAISED THIS QUESTION NOT LONG AGO WHEN HE ASKED WHY THE UNITED STATES SHOULD SUPPLY NUCLEAR ELECTRICITY TO A REGION OF THE WORLD THAT "FLARES MILLIONS OF CUBIC FEET OF NATURAL GAS INTO THE AIR EVERY DAY."

19; OTHERS HAVE ASKED WHY EGYPT NEEDS NUCLEAR POWER WHEN IT HAS THE ASWAN DAM.

20, ONE RECENT REPORT (FOR THE STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE, ADMITTEDLY BY AN ISRAELI) SAYS THE "ARAB COUNTRIES ARE NOT IN URGENT NEED OF NUCLEAR POWER. THEY POSSESS NEARLY INEXHAUSTIBLE RESOURCES OF OIL, NATURAL GAS AND HYDROELECTRIC POWER "

21 ONE WHITE HOUSE SOURCE POINTED OUT THAT WHILE NATURAL GAS IS FLARED USELESSLY INTO THE SKY IN SAUDI ARABIA, IT IS NOT FLARED ANYWHERE IN EGYPT FOR THE SIMPLE REASON THAT EGYPT DOESN'T HAVE MANY OIL AND GAS FIELDS. THIS SOURCE ALSO NOTED THAT THE INTERNATIONAL ATOMIC ENERGY

AGENCY STUDIED THE NEED FOR NUCLEAR POWER IN THE MIDDLE EAST ABOUT THREE YEARS AGO AND CONCLUDED THAT EGYPT WOULD NEED IT BY 1979.

22; THE WAY THE WHITE HOUSE AGREEMENT READS, EGYPT WOULD GET ITS NUCLEAR POWER PLANT ABOUT 1982. THE PLANT WOULD GENERATE 600,000 KILOWATTS OF ELECTRICITY AND COST ABOUT \$300 MILLION. THE PLANT OFFERED TO ISRAEL WOULD BE A LITTLE LARGER AND COST A LITTLE MORE.

23; ONE ARGUMENT IN FAVOR OF NUCLEAR POWER FOR BOTH EGYPT AND ISRAEL IS THAT BOTH COUNTRIES NEED IT TO DESALT THEIR WATER AS WELL AS TO GENERATE ELECTRICITY. THERE IS LITTLE QUESTION THAT THE MIDDLE EAST IS CHRONICALLY SHORT OF FRESH WATER, BUT THERE IS A SWIRLING ARGUMENT OVER WHETHER NUCLEAR POWER IS THE BEST WAY TO DISTILL IT.

24 A STUDY BY THE WHITE HOUSE OFFICE OF SCIENCE AND UNCLASSIFIED

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TECHNOLOGY (BEFORE IT WAS DISSOLVED BY PRESIDENT NIXON 18 MONTHS AGO) CONCLUDED THAT NUCLEAR DESALTING WAS UNECONOMICAL AND INEFFICIENT THE PRICE OF ATOMIC POWER HAS RISEN SO RAPIDLY IN THE LAST FIVE YEARS, THE OST SAID, THAT IT WOULD DISTILL WATER AT TOO HIGH A COST;

25. ANOTHER REASON NUCLEAR DESALTING IS CONSIDERED UNECONOMICAL IS THAT THE TEMPERATURES AND PRESSURES REACHED BY NUCLEAR POWER PLANTS AREN'T HIGH ENOUGH TO GET THE SALT OUT OF WATER QUICKLY AND SIMPLY THE ATOMIC ENERGY COMMISSION HAS QUIETLY CONCEDED THIS POINT AND HAS KILLED PLANS FOR BUILDING ITS OWN NUCLEAR DESALTING PLANT IN THE UNITED STATES.

26; THE REAL REASON THE UNITED STATES IS SELLING NUCLEAR POWER TO EGYPT AND ISRAEL IS A SIMPLE WISH TO BEAT FRANCE AND WEST GERMANY TO IT. BOTH COUNTRIES WERE NEGOTIATING, FRANCE WITH THE EGYPTIANS AND WEST GERMANY WITH THE ISRAELIS;

27. THE OBVIOUS REASON FOR GETTING THERE AHEAD OF FRANCE AND GERMANY IS TO GET THE BUSINESS, BUT THERE IS ANOTHER REASON FOR DOING SO: THE SAFEGUARDS THAT WOULD BE BUILT INTO THE NUCLEAR PLANTS THE UNITED STATES BUILDS IN THE MIDDLE EAST;

28. FRANCE AND GERMANY ARE FELT TO BE A LITTLE CARELESS IN THIS REGARD, A SITUATION THE WHITE HOUSE REGARDED AS POTENTIALLY CATASTROPHIC.

29 IN DOING ITS STUDIES OF THE FEASIBILITY OF ATOMIC

POWER FOR THE MIDDLE EAST, THE ARMS CONTROL AND DISARMAMENT AGENCY SPENT MORE TIME ON SAFEGUARDS THAN ANYTHING ELSE. IT EVEN CONSIDERED THE LIKELIHOOD OF WHAT MIGHT HAPPEN IF EGYPT OR ISRAEL SUDDENLY NATIONALIZED THE PLANTS, RULED OUT THE SAFEGUARDS AND EXPELLED THE AMERICAN PLANT INSPECTORS FROM THEIR COUNTRIES.

30. THE SAFEGUARD AGREEMENTS FOR EGYPT AND ISRAEL ARE STILL BEING WORKED ON, BUT ALMOST SURELY THEY WILL IN-
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CLUDE PROVISIONS FOR PERSONAL INSPECTION WHENEVER URANIUM FUEL IS BEING RELOADED INTO THE PLANTS. CAREFUL COUNTING OF THE FUEL RODS AS THEY'RE BEING INSTALLED IS ONE OF THE BEST SAFEGUARDS AGAINST NUCLEAR DIVERSION.

31; ANOTHER SAFEGUARD THAT SEEMS CERTAIN IN THE AGREEMENTS IS A PLAN TO HAVE THE FUEL REPROCESSED IN A THIRD COUNTRY, POSSIBLY SOMEWHERE IN EUROPE. THIS WOULD GUARANTEE THAT NEITHER EGYPT NOR ISRAEL WOULD SEPARATE PLUTONIUM OUT OF THE IRRADIATED FUEL DURING REPROCESSING.

32. FINALLY, THE WHITE HOUSE HOPES TO HAVE AS CONDITIONS OF THE SALE THAT EGYPT AND ISRAEL SIGN THE NUCLEAR NON-PROLIFERATION TREATY FORBIDDING THE SPREAD OF NUCLEAR WEAPONS;

33. EGYPT HAS SIGNED, BUT NOT RATIFIED. ISRAEL HAS NEVER SIGNED; ANY MOVEMENT TOWARD RATIFICATION AND SIGNING WOULD BE CONSIDERED MORE THAN ENOUGH REASON FOR ;CLEAR POWER TO MOVE INTO THE MIDDLE EAST. (END TEXT)
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